Appendix III.

[Vide answer to starred question No. 2015 asked by Sri M. Narayana Kurup at the meeting of the Legislative Assembly held on 8th August 1955, page 694 supra.]

(*a*) & (*b*) The Committee of the Society has been superseded as it was not functioning properly and had committed several irregularities. The main irregularities are:

(1) A sum of Rs. 18,225 was drawn from the Society's funds during the period from 13th September to 8th October 1954 for which no vouchers are forthcoming except for a sum of Rs. 910.

(2) The Board of Directors appointed two of the directors as Secretaries and paid them allowances. As the payment of allowance was irregular, the District Supply Officer ordered the recovery of the allowances paid; but the Board failed to comply with the orders.

(3) The Board of Directors did not meet once a fortnight as required by the by-laws.

(4) In spite of the instructions of the District Supply Officer, the Board of Directors did not obtain the prescribed security from one of its employees, viz., the godown-keeper.

(5) When the District Supply Officer wanted to verify the cash balances the President evaded it by saying that the key of the safe was with the Secretary who was absent.

(6) The Society often retained cash balances far in excess of the maximum amount permitted under its by-laws.

(7) The Society purchased a building site without obtaining the sanction of the Registrar as required under the rules.